CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Thursday, June 18th, 2015

I. Call to Order
Mr. Spickler called the Finance Committee meeting to order at 5:00 pm in CBJ room 224.

II. Roll Call
The following Finance Committee members were present: Dave Logan (via Telephone), Mike Peterson, Tom Zaruba, and Scott Spickler

Absent: Tom Donek

Also in attendance were the following: Carl Uchytil - Port Director, Dave Borg – Harbormaster, and Dave Summers – Board Member

III. Approval of Agenda.
MOTION BY MR. PETERSON: TO APPROVE THE AGENDA AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None.

V. Approval of May 20th, 2015 Finance Committee Meeting Minutes.

Hearing no objection, the May 20th, 2015 Finance Committee Meeting Minutes were approved as presented.

VI. Consent Agenda – None

VII. Unfinished Business – None

VIII. New Business

1. Recreational Boat Launch Fees Regulation Changes (05 CBJAC 20.060)
Mr. Uchytil said this is the third Committee to hear discussions regarding recreational launch ramp fee changes. At a previous Harbor Fee Review Committee, there was a proposal to raise the launch ramp fee to $100 annually and all trailers are required to have a purchased permit. Currently it is a user fee. In addition, every non-motorized vessel launching at the Harbors main launch ramps will also pay $100 annually with the stipulation that certain launch ramps are free which are Tee-Harbor, old Douglas Harbor, and Amalga kayak launching area. At the May 28th Operations meeting, the Committee debated this motion and after a lengthy discussion, they could not forward a positive recommendation. The Chair of the Operation/Planning Committee said if the Operations Committee members could not positively endorse the motion, the motion from the Harbor Fee Review Committee would move forward to the Finance Committee. Mr. Uchytil asked what the Finance Committee wants to do with this motion? He said Mr. Peterson requested the information for how many multiple trailer users which was forwarded to the Finance Committee Members. He said there are approximately 500 multiple trailer users out of 2000 permit.

Committee Question –
Mr. Zaruba asked if a fixed fee placed on an item is a tax? A User fee will go to the user. He would like a legal review for the fee being placed on a trailer. He recommended to have a fixed fee on the user and have a permit that is not affixed to the trailer but hangs on the rearview mirror. He asked what the reason is to raise the fee? He wants to see something that justifies raising this fee. How will this higher dollar permit impact the bottom line?

Mr. Peterson asked if there has been a widespread abuse by the multiple trailer users?

Mr. Borg said this year there has been more abuse where staff sees multiple users added to trailer registrations. He said four or five guys will be on several trailer registrations so they purchase one permit and get the rest for free. In the current regulation it is a user fee, and when several people are added to a registration they are only paying for one permit, and getting the rest for free. He understands the user fee within one family and that works great when people follow the original intent. He needs the original intent in regulation. He said people are even saying they started a LLC or Corporation.

Mr. Zaruba commented that if they are a LLC to charge them for a Commercial permit.

Mr. Borg said we have not have that discussion yet.

Mr. Zaruba recommended to have a business pay every year per unit.

Mr. Spickler said the abuse that staff is trying to eliminate is people going to DMV and putting multiple names on the registration to avoid paying $90.

Mr. Zaruba said his point is if they do this, they become a commercial user as far as Docks & Harbors is concerned.

Mr. Borg said when he gets multiple registrations with the same name and address, he has no problem with that. He needs this clarified in regulation.

Mr. Summers stated when two separate people are put on a registration, they are only paying for one permit but getting two permits and could be launching at two separate locations at the same time.

Mr. Peterson asked if that was legal per the current regulation?

Mr. Borg said it is because it is not specified in regulation. There were Board meeting notes, but the regulation was never changed. He said that is where the argument starts is when a person purchasing a launch ramp and wants to see this in regulation.

Mr. Zaruba suggested to have staff draft a proposed regulation and bring it back to the Committee.

Public Comment –

Paul Swanson, Juneau AK
He said he supports Mr. Borg and if there is a way to correct this problem to correct it.

Committee Discussion/Action

Mr. Peterson said the Committee could send this back to the Harbor Fee Review Committee or the Committee could work on this here at the Finance Committee.

Mr. Spickler asked what the Operations/Planning Committee did?

Mr. Uchytil said there was one motion at the Operations/Planning Committee by Mr. Summers that read as follows:

TO APPROVE THAT EVERY TRAILER WILL BE REQUIRED TO HAVE A PAID PERMIT THAT USES ONE OF THE RAMPS AND THE FEE IS $95 ANNUALLY. NON TRAILERED VESSELS WILL PAY A FULL FEE OF $95 AT THE MAIN LAUNCH RAMPS. FREE KAYAK LAUNCHING AT THE OLD DOUGLAS LAUNCH RAMP, TEE HARBOR, AND THE KAYAK LAUNCH AT AMALGA. EVERY TRAILER WILL BE REQUIRED TO HAVE A PERMIT THAT USES THE RAMP AT $95 ANNUALLY. PER HOUSEHOLD A SECOND LAUNCH RAMP PERMIT WOULD BE $50.

Mr. Uchytil said the vote failed two to two. He said Mr. Simpson said if the motion doesn't carry than the Harbor Fee Review Committee recommendation moves forward.

Mr. Logan said it is not in the purview of the Finance Committee to direct this back to the Harbor Fee Review Committee. He said there are two options.

1. Rework this to the Finance Committee liking tonight and move it on to the Full Board.
2. Move to the full Board with the recommendation to return this topic back to the Harbor Fee Review Committee for more work.

Mr. Peterson asked Mr. Uchytil if there is language that could be added to tweak this a little to satisfy regulation or will this take more research and work with the Law Department?

Mr. Uchytil said typically the Committee will give him the intent of what they want and he drafts a regulation which will go through the Law Department to make it legally sufficient. It then goes out for a 21 day public notice and comes back to the board for a full public hearing. He said Mr. Borg needs something in regulation that he can show the public. He said currently there is a motion that was recommended from the Harbor Fee Review Committee that has been pushed forward. What does this Committee want to do?

Mr. Peterson said he has a problem with raising the launch ramp fees to $100. He suggested to keep the fee at $90 and every trailer after the first will have a $10 fee. The first non-trailered vessel would be $90, and all other non-trailered vessels would be $10.

Mr. Zaruba recommended to see financially why this fee is $90. Could it be a lower amount?

Mr. Uchytil said it is not tracked for exact cost to operate each launch ramp separately.

Mr. Zaruba said he is not in favor of raising this fee without seeing a reason why.

Mr. Summers recommended to have a permit on every vessel. He suggested to have the first vessel at $90 and additional trailers at $50.

Mr. Zaruba asked how to attach this fee? He wants to see a review from the Law Department.

MOTION By MR PETERSON: TO TAKE NO ACTION ON THIS MOTION AND MOVE TO THE FULL BOARD WITH THE RECOMMENDATION THAT THIS WILL GO BACK TO THE HARBOR FEE REVIEW AND ASK FOR UNANIMOUS CONSENT.

Mr. Logan objected. He said point of order, you can't make a motion to take no action.

Mr. Peterson rephrased the motion:
TO TAKE NO ACTION ON THIS MOTION BEFORE THE COMMITTEE.

Mr. Logan said if no one put the motion forward, than that is no action. He said he will ask Mr. Uchytil to put this on the agenda for the Full Board under information.

Mr. Zaruba asked for a legal review to determine if this fee is a tax if it is put on a trailer?

MOTION: TO REQUIRE EVERY TRAILER TO HAVE A PAID PERMIT THAT USES ONE OF THE RAMPS AND THE FEE IS $100 ANNUALLY. NON TRAILERED VESSELS WILL PAY FULL FEE OF $100 AT THE MAIN LAUNCH RAMPS. FREE LAUNCHING AT THE OLD DOUGLAS LAUNCH RAMP, TEE HARBOR, AND THE KAYAK LAUNCH RAMP AT AMALGA.

MOTION FAILED

IX. Items for Information/Discussion.

1. Docks & Harbors Financial Summary
   Mr. Uchytil said the end of June is the end of the Fiscal Year and Docks & Harbors is having a good year. Docks & Harbor are two separate enterprise funds. Mr. Uchytil went over the Financial summary's provided in the packet. These summary's are both two months behind on the revenue side but the expenditures are current.

   Mr. Zaruba asked if the revenues in this summary is cash accounting or accrual?

   Ms. Scovill said the invoiced items are looked at as revenue.

Mr. Peterson commented that it appears on both Docks & Harbors that there is a tendency to over budget. Looking at the state revenues, it was projected to have $350,000 but the actuals last year was just over $304,000 which was under budget and this year is $395,000 which is over budget. He said charges for services budget last year was $2,600,000 and actuals were $2,892,000. This year budget is $2,740,500 and we are at $2,435,000 and we still will have May and June to add. He would like to look at a seven year trend that shows the variances between revenues and expenditures for Docks & Harbors. The reason for this is state revenues are going to be less than what they are now. From a budget point of view, the budget needs to be sharper. He would like a graph for the last seven years.

Mr. Uchytil said the revenues are hard to predict. The fish revenues are hard to predict because it is determined from how many fish are caught. The FY14 State revenues were actually $384,000 but $80,000 went to the previous Fiscal Year. This was to be able to close out the Fiscal year before November when the funds were determined. From the revenue side, staff is projecting conservatively, but hoping for more than predicted.

Mr. Spickler said having the last seven years would be helpful for a visual.

Mr. Peterson said if looking at the last seven years show the revenues have been going up incrementally by a certain percent, Docks & Harbors could look at this and say there is no reason to believe this will not go up. Then we can determine what project to spend these dollars on.

2. Thane Ore House RFP update
   Mr. Uchytil said this RFP has been to several Committee meeting as an informational item over a month. At the last meeting Mr. Peterson suggested to change the minimum qualification so a person with not a lot of business but a good idea would still have an opportunity to apply. The yellow highlighted items were added from previous suggestions. He said he will take this to the full Board for final suggestions and then go out with the RFP process.

X. Staff & Member Reports - None

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting Thursday, July 23rd, 2015.

XI. Adjournment.

The Finance Committee adjourned at 5:55 pm.